

**CITY OF MORGAN HILL
JOINT REGULAR CITY COUNCIL AND
REGULAR REDEVELOPMENT AGENCY MEETING
MINUTES – APRIL 25, 2007**

CALL TO ORDER

Mayor/Chairman Tate called the meeting to order at 7:00 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Carr, Grzan, Lee, Sellers, and Mayor/Chairman Tate

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PROCLAMATIONS

RECOGNITIONS

CITY COUNCIL REPORT

CITY COUNCIL COMMITTEE REPORTS

CITY MANAGER REPORT

City Manager Tewes informed the Council that he and City staff are preparing a recommended Fiscal Year 2007-08 budget for Council consideration. He indicated that the proposed budget document is scheduled to be distributed to the Council on May 15. The Council is scheduled to hold a workshop on May 18, and a public hearing to be held on June 6; followed by Council adoption on June 13, 2007.

CITY ATTORNEY REPORT

City Attorney Kern stated that she did not have a report to present this evening.

OTHER REPORTS

PUBLIC COMMENT

Mayor/Chairman Tate opened the floor to public comments for items not appearing on this evening's agenda.

Rose Lopez, Taylor Avenue resident, addressed the Council regarding the parking and traffic issues the neighborhood is anticipating with the implementation of two developmentally disabled facilities being proposed on Taylor Avenue and Ginger Way. She indicated that there would be traffic impacts associated with medical supply trucks, bio hazard waste removal, cleaning, food delivery, gardening, etc., and with u-turns being made in front of the existing homes on Taylor Avenue and Ginger Way, both being dead end streets. She informed the Council that none of the Taylor Avenue residents are against the principle of developmentally disabled facilities in a neighborhood setting as she has a close family member who is developmentally disabled. She indicated that the Taylor Avenue residents have been told that there is nothing the City of Morgan Hill can do about the developmentally disabled homes because this is a California state mandate and that as individuals, residents need to address their concerns to state assembly members and senators. However, the residents consider the Council to be their elected officials and their voice. She informed the Council that she wrote to Assemblyman John Laird and Senator Abel Maldonado, without receiving a reply from either individual. She stated that the residents were told by the non profit agencies involved, that there is a list of criteria used to select these particular homes, and that they promised to send the area residents this list. Yet, this information has not been sent to area residents. Further, that these agencies have not replied to the numerous e-mails and phone calls. She requested the Council assist in acquiring this list, and to help mitigate the parking and traffic issues that will take place in this neighborhood. She said that the residents believe the voices of the Mayor and Council Members would carry far more weight at the State level than the 12 residents, and that they look to their local elected officials for its support.

Stephanie Reinhardt, Taylor Avenue resident, expressed concern over Senate Bill 962 that would allow the placement of residential care facilities in her neighborhood and the City Council's refusal to step up and take on this issue. Should she or others decide to sell her/their home(s), she/they would be required to disclose that these group homes exist; affecting the values of the homes. She indicated that the State has been quietly putting new laws into affect for the past three years that best serve their interests, and not the interests of citizens/residents of Morgan Hill. It was her belief the City Council and City Attorney have the responsibility to protect the residents and taxpayers of the City. She did not understand why the City did not ask questions when these laws were being passed by the State. In her research, she has not been able to find any laws that prohibit cities from monitoring programs such as those imposed by the State on cities. It was her belief that laws and ordinances should be applied equally and fairly to all residents. If this is the case, she did not know why residents did not have a say on issues that affect their homes, or the value of their homes. She did not believe the State wants to be burdened, and therefore passes off the costs/expenses to others. In 2010, when this pilot program is over and folds, it was her belief that the "shell game" would be played again, and that the City of Morgan Hill will be faced with picking up the price tag because it failed to get ahead of the game. She did not know how the Planning Department allowed two facilities on a dead end street. She felt that the Planning Department has the responsibility of conducting traffic surveys and/or environmental studies before approving plans. Although the Planning Department knew that these homes were not a good fit for the neighborhood and the consumers, she felt that they had the responsibility to direct buyers to areas that were more appropriate. The Planning Department also allowed a builder to build five homes on Ginger Court which were then converted to rental units. This information was brought to the attention of the Planning Department at the time; however, no action was taken. She indicated that this same builder has now submitted similar plans for the development of the land at the end of Ginger Way. She said that the

residents in the Madrone neighborhood would soon be faced with two residential care facilities, and the possibility of 16 rental units all on one block. She did not believe this was good urban planning and was irresponsible. She requested the City take a stand, and be proactive; not reactive. She felt that Senate Bill 962 was a well thought out plan, on the State's part, but felt that it would be a nightmare and a costly lesson for the City of Morgan Hill.

City Attorney Kern stated that the City can regulate zoning and building permits; however, the State has determined that residential group homes are to be treated as single family residences. As a single family residence, regardless of whether it is a group home or a home that a family may purchase, there is no requirement for noticing, permission, or any other actions that can be taken. Therefore, there is nothing the City can do about residential group homes as they are allowed by State law.

Council Member Sellers felt it important to note that several members of the Council and the Mayor spent time meeting with residents. He agreed that trying to get to the bottom of this issue is frustrating. He noted that the Council cannot address the issue this evening as it was not an agenda item. However, he felt there were issues raised to which the City can conduct research. One issue raised was the fact that the residents had difficulty in obtaining a copy of the plans that identify these homes as "ideal sites." He felt it important for the City to be cognizant of the proposed locations of group homes. He recommended the City try to work with the State to obtain the plan, and that the City looks at the implications of future development that will be proposed in this area.

No further comments were offered.

City Council and Redevelopment Agency Action

ADOPTION OF AGENDA

Action: *On a motion by Council/Agency Member Sellers and seconded by Mayor Pro Tempore/Vice-chair Carr, the City Council unanimously (5-0) adopted the agenda as printed.*

City Council Action

CONSENT CALENDAR:

Action: *On a motion by Mayor Pro Tempore Carr and seconded by Council Member Sellers, the City Council unanimously (5-0) **Approved** Consent Calendar Items 1 and 2 as follows:*

1. AWARD OF TRUNK SEWER NUMBER TWO – PHASE IA PROJECT

Action(s): *1) **Adopted** Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program per Memo from the Planning Department; 2) **Awarded** Contract to Mountain Cascade, Inc. for the Construction of the Trunk Sewer Number Two – Phase IA Project in the Amount of \$4,459,663; 3) **Authorized** Expenditure of Construction Contingency Funds not to Exceed*

\$445,966 (10%); 4) **Authorized** the City Manager to Execute an Amendment to the Consultant Agreement with Schaaf & Wheeler for Construction Administration Services, Subject to Review and Approval by the City Attorney; and 5) **Authorized** the City Manager to Execute a Consultant Agreement with MH Engineering Co, Inc. for Construction Staking Services, Subject to Review and Approval by the City Attorney.

2. **FIRST AMENDMENT TO HOUSEHOLD HAZARDOUS WASTE MANAGEMENT**

Action(s): **Authorized** the City Manager to Execute the First Amendment to the City's Household Hazardous Waste Agreement with the County; Subject to Review and Approval by the City Attorney.

City Council and Redevelopments Agency Action

OTHER BUSINESS:

3. **COUNCIL'S ECONOMIC DEVELOPMENT GOAL**

Business Assistance and Housing Services Director Toy indicated that this item addresses one of the Council's adopted goals for 2007. The goal is that by March 2007, the Council's Community & Economic Development Committee will recommend a strategy for Council consideration that addresses: 1) an increase in the number of jobs that provide sustainable wages for Morgan Hill residents; 2) reduction in the current commercial/industrial vacancies; and 3) the development of currently vacant commercial/industrial lands located within the urban service area. He indicated that the Committee initially discussed this item in February and March with primary discussions addressing the development of materials and recommendations for the Council's March workshop regarding downtown improvements. The Committee also focused on recommendations relating to the Granada Theater that were presented in April. Following the conclusion of these discussions, in trying to meet the March deadline, the Committee felt that more time was needed to discuss this issue. Therefore, the Committee held two additional meetings in April.

Mr. Toy indicated that the current Economic Development Strategy (ED Strategy) reflects the comments made at the Council's July 2006 workshop. He noted that the ED Strategy has been distributed to the Council this evening. He said that the Community & Economic Development Committee (Committee) identified existing goals, policies and actions under the current ED Strategy that addresses jobs and vacancies. He informed the Council that the Committee is not recommending any specific revisions to the ED Strategy at this time because the ED Strategy currently meets the Council's goal. However, the Committee has made recommendations pertaining to issues which will provide direction to staff on how to implement specific ED Strategy policies and actions. He stated that the recommendations will also establish parameters by which the Committee can evaluate the Chamber of Commerce's marketing and recruitment proposal as an option to meet the Council's adopted ED Strategy. He informed the Council that there are 12 issues/recommendations for Council consideration as listed in the staff report. He said that the recommendation is that the Council/Agency Board: 1) adopt the Committee's recommendation regarding the City's ED Strategy, 2) direct the Committee to evaluate the Chamber of Commerce's economic development marketing and recruitment proposal and any other options; using the adopted recommendations as parameters for evaluation; and 3) adoption of the revised ED Strategy before the Council.

Council/Agency Member Sellers said that the Committee looked at major areas it would like the Council/Agency Board to consider. He stated that the Committee recommends adding an increased focus on marketing, recruitment of businesses, and ombudsmen services. He indicated that there was a lot of discussion about what these might be. He said that you need to keep in mind that the City is undertaking a significant shift in the way it delivers/conducts permitting and other services. The Committee felt that there were several issues raised that can be addressed at the time the old library becomes the new permit center. Once the permit center is established, the Council can focus on overseeing this and recommend policies as decisions are made. He informed the Council/Agency Board that the Committee recommends focusing on commercial development; particularly in adding sustainable jobs to the extent of looking at existing buildings and newer buildings; understanding what the Silicon Valley market place is looking like. The City can look at vacant land or newer buildings as a focus. He stated that there were two areas of focus and requested Council/Agency Board input: 1) Is there an interest in altering the levels of service in terms of traffic and other areas? 2) Evaluation of a public-private partnership for regional tourism. It is felt that the Chamber of Commerce is doing a good job, and the Committee recommends that this effort be continued. Should there be additional focus the Council/Agency Board would like the Committee to review, it would take this direction as well.

Council/Agency Member Lee said that the Committee is recommending that updates be presented on how the policies and actions are coming along. This would allow the Council/Agency Board to evaluate whether the City is doing what it needs to do, or whether the policies/actions need to be modified. Updates would allow the Council/Agency Board to evaluate whether the policies and actions are working, and allow it to make changes in the future, should it be necessary.

Mayor/Chairman Tate noted that the Committee is recommending that the ED Strategy not be changed; and yet, the Council/Agency Board needs to adopt the ED Strategy.

City Manager/Executive Director Tewes clarified that the Council initially adopted the ED Strategy two years ago. Last year, the Council asked the Committee to consider potential revisions to the ED Strategy. The Committee made some suggestions to the ED Strategy; however, the ED Strategy was never adopted. He clarified that the document before the Council/Agency Board reflects the recommendations of the Committee from approximately six months ago, but that they were never formally adopted by the Council.

Council/Agency Member Sellers indicated that the Committee is not recommending changes in what is being done. He said that the ED Strategy outlines a full array of economic development issues that the Council has been looking at addressing. He stated that several of these have been addressed/not been addressed. He said that the Council has been in the process of revising policies that are inhibitors. He indicated that the Redevelopment Agency has adopted a policy that would allow the City to pay for more public improvements in order to reduce the cost of development. There are also business assistance programs in place. He stated that the Committee did not want to abandon these efforts as some of these efforts are still underway. The Committee recommends focus be given to marketing, ombudsmen activities and recruitment. He clarified that the Committee does not recommend abandoning the efforts as listed, but recommends emphases be placed on the three areas; particularly as it applies to commercial and industrial development that will attract good paying jobs as discussed at the Council/Agency Board's retreat in January 2007.

Mayor Tate opened the floor to public comment.

Dan Ehrler indicated that the Chamber of Commerce supports the Council directing the Community & Economic Development Committee to evaluate their economic development, marketing and recruitment proposal. He felt that positive and productive meetings have been held with the Committee and with the City Manager. He informed the Council that some changes have been made to the original proposal from what the Council/Agency Board received from the City Manager as a result of these meetings. The changes clarify some issues raised during the discussions and include specifics in certain areas. He indicated that the Chamber is in the process of working on the changes in order to bring the proposal to the Committee, and if necessary, to the full Council, at the appropriate time. It was the Chamber's hope to be able to present a modified proposal to the Committee next week in order to place focus on the proposal, but that it was his understanding that the Committee's meeting has been canceled. The Chamber hopes their proposal will be addressed when they return with a revised edition of what was sent to the City. He stated that the Chamber believes the strategies being proposed would greatly assist in the Council's fulfillment of its goals on economic development.

No further comments were offered.

Council/Agency Member Grzan referred to page 27 of the report, specifically Goal #3 – development of currently vacant commercial and industrial land located within the urban service area. He inquired why the Committee was recommending going as far as the urban service area, outside the city limits and expanding into this area.

Mr. Toy noted that city services can be provided in the urban service area. He was not sure if there were many properties outside the city limits that are within the urban service area that can be developed as commercial or industrial uses.

Mayor Pro Tempore/Vice-chair Carr noted that this was a goal established by the Council at its January 2007 retreat. This is a broader discussion he would like the Council to have. He said that when you are talking about lands within the urban service area, it does not mean the City would look outside the city limits to develop lands for economic uses. He felt that one item the Council needs to do is look at how the City is zoning properties. If the Council believes it would be appropriate to change zoning or increase density for economic development purposes, he felt that it would be appropriate for the Council to think about where the zoning is being replaced. It may be that the zoning being displaced could be located outside the city limits, and in what the City controls in rezoning of the urban service area.

Mayor Pro Tempore/Vice-chair Carr said that the format used is one the Council developed 4-5 years ago. It lays out policies and actions for each goal. He felt that it was time for the Council to take a look at each goal; identifying what has been accomplished. The Council can remove items from the list that have not been accomplished. If there are items that have not been accomplished, the Council needs to review why they have not been accomplished. He did not know if the development of PUD Guidelines for Walnut Grove makes sense anymore. It was his hope the Council would be having a specific review of the ED Strategy because it will allow the Council to give thought to a future direction. He noted that the Council/Agency Board has changed some of the goals over the years, relating to sales tax

generations for the general fund, and that the Council is now focusing on jobs. He supports this goal, but needs to have a better understanding on how it will focus on jobs. He noted that government/cities do not create jobs. However, the City can create an atmosphere and provide an infrastructure that would encourage the private market to locate in Morgan Hill and create jobs. He was not sure that placing more money into marketing and recruitment activities is the way to create jobs. He has no way of judging that this would be the case. He would like the Council to take a look at setting the stage such that the marketing efforts can become successful. He noted that the Council/Agency Board just embarked on what it will do with redevelopment monies in order to reduce some of the City's fees. He stated that one comment he hears is the difficulty of assembling parcels in Morgan Hill. He noted that this is not discussed in the ED Strategy. There was a question about the PUDs, and that it was his belief that PUDs need to be reviewed on a case-by-case basis. Further, that the City needs to be more aggressive. If there are areas that make sense, the City needs to be a part of putting parcels together in a fashion the Council can support in a statement. The City could start looking at these properties to discuss how they can be a part of a PUD. He noted that the Council/Agency Board has stated, in the rewrite from July 2006, that it would review items on an annual basis. However, he did not know what is meant when it is stated that the Council/Agency Board would evaluate items on an annual basis, or how it will evaluate items in order to ensure the City continues to go in the right direction; making changes when needed.

Council/Agency Member Lee stated that she was seeking feedback on how the City is doing; not only in the planning stages. In reviewing the Chamber of Commerce's proposal, she asked their representatives how the City would measure their goals, and whether there were any impacts to the City. She recommended the Council/Agency Board require measurement of goals. Doing so would allow the Council/Agency Board to adjust what it is doing. She indicated that she is supportive of receiving feedback on all these issues because she has not seen feedback received in the past. She would like the Council/Agency Board, the residents, and the business community to see how the City is doing on its ED Strategy. She did not know if there were smart goals the City can look at in order to be able to measure how the City is doing on its goals.

Mayor/Chairman Tate referred to item 7 on the list of issues for consideration. He noted that the City is currently in the budget cycle review. Should there be a need to allocate additional funding to certain items, it was his belief it needs to be done through the budget cycle. He understands that not everything is precisely measurable, but felt that you need to state why the City is taking an action.

Council/Agency Member Sellers felt that good questions have been raised that need to be answered as the Council/Agency Board moves forward. He noted that the City has completed an industrial land use study that indicated the City has a significant amount of industrial land available, and where some of the prime properties are located. He stated that lowering fees cannot be understated because this is a significant change for Morgan Hill and for the region. It was the thought of the Committee that the City has done a lot of things, and has addressed a lot of issues. He noted that the City is sitting on one of the biggest vacant industrial parks in Silicon Valley. He inquired whether the City can go out and aggressively meet with key players throughout Silicon Valley who may be considering relocating to Morgan Hill; making an impact. He felt that doing so would be quantifiable. The City could identify one or two significant/sustainable businesses. He noted that the City was able to recruit Abbot

Laboratories as well as Hospira due to significant efforts by several individuals. However, it was the open arms and the attitude of the community that tipped the balance to the City's favor. He felt that this needs to be the focus. He noted that the Chamber would be providing their thoughts on how to do so, and that he would appreciate their thoughts regardless of what the City ends up doing. He said that the Council needs to identify a goal for marketing and recruitment; including quantifiably measures.

Council/Agency Member Grzan felt that baseline data needs to be developed in terms of the current number of jobs in Morgan Hill, the number of industrial/commercial vacancies that currently exist, the amount of industrial lands the City would like to see developed, etc. He felt that once baseline data is developed, the City would have an influx of resources, programs and policies. Then you can measure what has been accomplished after a year. Measurements would allow the City to return to its residents to state that it invested a certain amount of dollars, and identify the results of this investment of dollars. He felt that the Council needs to find a way to state that by the installation of improvements, and by reducing impact fees, a number of individuals made a decision to come to Morgan Hill because of this investment. He acknowledged that sometimes you need to market the City's incentives to encourage businesses to relocate to Morgan Hill; enticing businesses to come to the community.

City Manager/Executive Director Tewes felt it to be useful to provide the Council with information about one of the largest tracts of developable land in Morgan Hill as the Council/Agency Board thinks about its strategy. It has been indicated that the Morgan Hill Business Park is the largest industrial park in Silicon Valley, by area. He informed the Council/Agency Board that there are 55 acres of vacant, undeveloped land and that the owner of this property has spent the past 18 months trying to find a company to sell the land to, not in finding end users for the land. This would result in the second company being responsible for marketing the land to end users. He stated that on Friday the San Jose Business Journal will announce that the 55 acre property has been sold. Therefore, a new development entity has acquired property in the Morgan Hill Ranch for the sole purpose of developing the 55 acres. It will be the private entity that will be hiring brokers, marketing individuals and land planners, and that they will be the individuals who will be developing the jobs. He said that the City has a role in facilitating and encouraging development. He indicated that it is the private sector that is the entity that develops jobs. He reminded the Council/Agency Board that Morgan Hill has enjoyed tremendous successes in terms of attracting private investments. He indicated that the community has grown over the past 20 years, and that the investment the private sector has already placed into buildings and jobs are significant and continues to be significant. He noted that there are new shopping opportunities. In prior decades, the City's efforts were toward the development of industrial and commercial businesses. The City was successful in these efforts, and continues to be successful compared to the City's neighbors to the south as the City has more properties available, higher assessed values, and more jobs. He informed the Council that there are 12,000 private jobs in Morgan Hill, and that Morgan Hill has done well toward this effort. The discussion about the strategy of moving forward is how the City can do even better.

Mayor/Chairman Tate did not believe there was enough timeframe information included in the ED Strategy; noting that it is tied to the budget with some items being critical to the budget discussion. He noted that none of the action items before the Council/Agency Board have dates, or completion information associated with them. He recommended that there be some discussion on this as well.

Council/Agency Member Sellers stated that the Committee had a significant discussion about being able to evaluate the Chamber's proposal prior to the budget discussion. This would give the Council enough time to review the information. He indicated that due to a conflict on May 2, the Committee has agreed to meet on May 16. Meeting on May 16 will allow Committee members the opportunity to bring back to the Council an evaluation for the items the Chamber of Commerce is proposing before the May 18 budget session. The Council could incorporate the items into the budget discussion at that time.

Mayor/Chairman Tate stated that a recommendation/discussion is not only directed to the Chamber's proposal, but relates to all of the items listed under item 7 and the alternative approaches.

Mayor Pro Tempore/Vice-chair Carr noted that the agenda packet contains a draft ED Strategy dated April 2007; noting that the draft placed on the Dais this evening is dated January 2007. He inquired which document would be adopted.

Mr. Toy clarified that the Council/Agency Board is being asked to adopt the draft ED Strategy dated January 2007 as it includes the entire ED Strategy. He indicated that the April 2007 ED Strategy identifies goals, policies and actions that addressed the Council's specific goal(s).

Council/Agency Member Grzan referred to the Agency's ED Strategy adopted in 2006, page 27, relating to utility and underground improvements, parking improvements, lighting improvements, etc. He felt that it would be appropriate to include park and creek improvements as a potential area to be developed within the RDA project area. He felt it important to consider parks and creek improvements in this process.

Council/Agency Member Sellers said that everyone shares the desire to include parks and creek improvements; specifically with regards to the cost of development. He indicated that these items were identified as areas that would reduce the cost of development.

Council/Agency Member Grzan stated that if you look at Monterey and Little Llagas Creek, and should there be any development along adjacent properties, the City may want to offset some of the costs/investments for the developer. The City could encourage development as well as to provide an opportunity to give something back to the community with additional open space.

City Manager/Executive Director Tewes informed the Council/Agency Board that there is a separate document not before the Council that is alluded to on page 27. The separate document is a strategy document adopted by the Redevelopment Agency. Should it be the Council/Agency Board's desire to amend the strategy document, staff can return with the document to identify where the Council/Agency would make revisions to add parks and creeks. He indicated that staff can return with the document at the next meeting.

Action: *On a motion by Council/Agency Member Sellers and seconded by Council/Agency Member Grzan, the City Council/Agency Board unanimously (5-0) **Adopted** Recommendations by the Council's Community and Economic Development Committee Regarding the City's Economic Development Strategy with the goals, policies and actions contained in the Strategy, with the understanding that the Council/Agency Board would move forward, returning with consideration of further updates.*

Council/Agency Member Sellers supported adopting the 12 items as presented by staff; incorporating quantifiable measures, and establishing baseline data. He noted that Mayor Pro Tempore/Vice Chair Carr focused on zoning and assembling parcels together. He indicated that the Committee could consider these items as well; contacting the private sector and the new development team that will be coming on board to see what they are thinking. The Committee would return with all this information to the Council/Agency Board, as appropriate

Mayor/Chairman Tate indicated that he considered Mayor Pro Tempore/Vice-chair Carr's comments to be suggestions for further updates to the ED Strategy, and that these were separate from the 12 issues the Committee would be addressing. He agreed that quantifiable measures should be incorporated into all items that can be measured; including deadlines/dates.

Mayor Pro Tempore/Vice-chair Carr stated that he would like the items to be more specific; identifying the actions to be taking place so that the City can start identifying the items that have been completed. If there are parcels already put together that are being reviewed by brokers, it is his hope that they will be successful and the City can look at other items. He stated that he would like to include a statement about how the City would help existing businesses as these businesses have already created jobs. He felt the City needs to be helpful in allowing these businesses to thrive, grow and improve. He felt that this is missing under item 1 located on page 32 where there is discussion about a change in focus relating to marketing and recruitment of businesses, and assistance to small businesses. He noted that the City Manager/Executive Director has indicated that the City has 12,500 jobs, and that he would like to make sure the City does not get in the way of increasing the number jobs that can be developed. Rather than just stating marketing and recruitment of small businesses, he recommended the City look at the businesses already in the community, and assist with expansion/preservation efforts. He noted that some of his suggestions are included in the existing strategy, but did not believe it has been a focus of the City.

Council/Agency Member Grzan felt the City needs to identify which businesses are doing well and which are not doing well. If businesses are not doing well, the City needs to understand why they are not doing well. The City also needs to understand why businesses are doing well. The City needs to identify who needs help and provide assistance, if needed. There may be another forum the City can undertake to provide businesses the opportunity to interact with the City. He did not know how many businesses are in need of assistance, and that it may be that the City needs professional assistance in this area in order to understand the need.

City Manager/Executive Director Tewes felt it helpful that the Council/Agency Board focus on its policy role. He noted that the City has professional staff on board who work on economic development; including himself. He stated that he is contacted by business owners who have a problem(s) with City standards, issues, or processing. The issue that the Chamber presents is their belief that there are business owners who are not considering Morgan Hill because they do not know about Morgan Hill, or what they know about Morgan Hill may be negative. This is the reason the Chamber would like to proceed with marketing. He stated that businesses come to the City, from time to time, requesting assistance. Some of the assistance requested cannot be provided because they are inconsistent with Council policies, the general plan, or the Council/Agency Board's investment strategies. He clarified

that City staff is engaged in economic activities. The extent to which the City's economic development efforts should include outreach through marketing efforts is the subject of the agenda before the Council/Agency Board. The question is whether the City should shift its focus from assisting businesses and providing the public investment in infrastructure that allows private investment to occur; conducting more outreach. He noted that this is traditionally the activities of the private property owners, brokerage communities and others. It is being suggested that their marketing efforts are not being successful, and that the Chamber is proposing public dollars supplement these private activities. He clarified that this is what the Council/Agency Board is evaluating as it evaluates the ED Strategy. It was his belief the City has been achieving the goals and strategies outlined by the Council/Agency Board. However, the Chamber is suggesting a different approach that would require a change in the Council/Agency Board's strategy.

Council/Agency Member Lee stated that there are other entities in town that also assist with some of the employment issues such as training/employment opportunities. She said that the Workforce Investment Board is an agency that has come into town; assisting with these needs. It was her belief that they also provide services to small businesses. She felt the City could consider working with the Workforce agency in order to assist businesses, of whatever size, with some of the services the City cannot assist with such as ombudsmen services.

Mayor/Chairman Tate felt that following the budget cycle, the Council/Agency Board will want to focus on the update of the ED Strategy with a workshop.

City Manager/Executive Director Tewes clarified that there are 12,000 employed residents in Morgan Hill. However, he was not sure if there are 12,000 private sector jobs in the City. He indicated that staff would provide the Council/Agency Board with the correct number.

Mayor Pro Tempore/Vice-chair Carr was not sure as to what the Council would be adopting this evening as he has comments on each item. He recommended the Council/Agency Board take some time to review each item. He noted that the reason for the timeline of this goal was for the purpose of consideration as part of the budget. He felt that the only item the Council/Agency Board needs to think about in economic development, in terms of the budget, is the review of the proposal from the Chamber of Commerce. He noted that Committee members have indicated it has a timeline that would be presented to the Council before the budget is adopted.

Council/Agency Member Sellers felt that it would be helpful to return next week with the notes taken and feedback provided.

Council/Agency Member Grzan agreed that this item should return next week with the notes taken and the feedback provided in order to review a more concrete document.

Council/Agency Member Lee stated that the Council identified March 2007 as the timeline to achieve this goal; however, the Committee has been delving into several items associated with this goal. Therefore, it is taking longer than anticipated to achieve this goal. It was her belief that Council wants to make sure this is done right.

Action: *No further action taken.*

City Council Action

OTHER BUSINESS:

4. THE FUNDAMENTAL PRINCIPLES FOR A RECRUITMENT, INTERVIEW AND APPOINTMENT PROCESS

Mayor Tate indicated that the Council adopted the Fundamental Principles for a Recruitment, Interview and Appointment Process. He requested a brief discussion about the current policy and principles before proceeding into the interviews. He stated that he would like to streamline the process adopted approximately a year ago. He felt that the Fundamental Principles contain good goals and objectives, but that there were some items the Council can do more efficiently/affectively. He would like to review a process that is streamlined with no unnecessary delays in appointing individuals to the various boards and commissions. It would be his objective to encourage a wide array of participation; obtaining as many applicants as possible; without discouraging applicants who are not appointed. He would like to get these individuals involved; noting that there are alternative commissions that the City does not have full board/commission members. There are also subcommittees to the various commissions that non appointed individuals can serve on. He appreciates individuals getting involved in the City process, and would like to see them come back; becoming successful. He felt it important that the Council set clear expectations. He said that the Council has set an expectation that the Commissions will have workplans every year, and that the workplans must address the Council's goals. He also felt it important for the Council to work with the commissions to make sure they are in sync and working toward the same end(s).

Mayor Tate stated that the Council is on a track where the Mayor returns a week following the interviews to make appointment recommendations. It was his belief that 95%+ of the time this is not necessary as the Council can move forward with an appointment recommendation; completing the process at the time the interviews are conducted.

Council Member Sellers noted that the Council has a board and four commissions to fill vacancies; three of which have more vacancies than applicants. He recommended the process be modified so that the Council allows each applicant to address the Council. However, the Council does not need to feel compelled to interview, if in fact the Council has the inclination to appoint.

Mayor Tate agreed that in the case where there are fewer applicants than positions, the Council could streamline the process. He clarified that it would be his recommendation that the Council make appointments this evening, as long as the Council can come up with a voting procedure that it would be comfortable using this evening. He said that there may be conditions that may come up, but unless they do, he would like to proceed with the appointment process this evening.

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Carr, the City Council unanimously (5-0) **Reviewed** the Council's Adopted Fundamental Principles for a Recruitment, Interview and Appointment Process; and 2) **Confirmed** the Fundamental Principals; modifying item 6 to stipulate that the Mayor **may** have one week to return with a recommended appointment to the Council. (Replace the word "should" to "may")*

5. INTERVIEWS TO FILL VACANCIES ON THE ARCHITECTURAL & SITE REVIEW BOARD (ARB); LIBRARY, CULTURE & ARTS COMMISSION; MOBILE HOME RENT COMMISSION; PLANNING COMMISSION; AND THE SENIOR ADVISORY COMMISSION

The City Council identified the traits/characteristics they were looking for in candidates for the board and commissions. The Council conducted interviews to fill vacancies to the various commissions and board as follows:

Mobile Home Rent Commission (3 vacancies): Applicant: Swanee Edwards

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Carr, the City Council unanimously (5-0) **Ratified** the Mayor's appointment of Swanee Edwards to the Mobile Home Rent Commission.*

Senior Advisory Commission (4 vacancies): Applicants: Betty Ancheta, Gigi Smith, and Jill Kirk

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Carr, the City Council unanimously (5-0) **Ratified** the Mayor's appointment of Betty Ancheta, Gigi Smith, and Jill Kirk to the Senior Advisory Commission.*

Architectural and Site Review Board (3 vacancies): Applicants: Nancy Hart; Rod Martin; Tom Monti

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Carr, the City Council unanimously (5-0) **Ratified** the Mayor's appointment of Nancy Hart, Rod Martin, and Tom Monti to the Architectural & Site Review Board.*

Library, Cultural & Arts Commission (3 vacancies): Applicants: Robert Boyd, Rosalinda Bush, Sylvia Cook, Ellen McKissick, Stan Salah, Walter Von Tagen III

Action: *On a motion by Council Member Grzan and seconded by Mayor Pro Tempore Carr, the City Council unanimously (5-0) **Ratified** the Mayor's Appointment of Sylvia Cook, Ellen McKissick, and Stan Salah to the Library, Cultural & Arts Commission.*

Planning Commission (4 vacancies): Applicants: Sue Koepp-Baker, Robert Escobar, Joseph Mueller, Marian Sacco, Wayne Tanda, Al Tervalon

Action: *On a motion by Council Member Lee and seconded by Mayor Pro Tempore Carr, the City Council unanimously (5-0) **Ratified** the Mayor's appointment of Sue Koepp-Baker, Robert Escobar, Joseph Mueller and Wayne Tanda to the Planning Commission.*

Mayor Tate thanked the individuals not appointed to a Commission for their interest in wanting to serve the City. He recommended that these individuals stay interested, encouraged them to get involved with City projects, and to apply again in the future as tenacity pays off.

Council Services & Records Manager Torrez informed the Council that there are current vacancies on the Senior Advisory Commission, Mobile Home Rent Commission, and the Bicycle & Trails Advisory Committee.

FUTURE COUNCIL-INITIATED AGENDA ITEMS

Revisit the selection process associated with the Fundamental Principals to the Recruitment, Interview and Appointment Process – Council Member Grzan.

ADJOURNMENT

There being no further business, Mayor/Chairman Tate adjourned the meeting at 9:50 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK/AGENCY SECRETARY